

# Q4

SEMCON'S FINANCIAL STATEMENT | Q1-Q4 | 2004

**semcon**  
*Water proof cell phone*

Semcon is a leading design and development company with around 1,500 employees and sales in 2004 of SEK 1.3 billion. Semcon's consultants develop products, processes and people. The combination of good growth over 25 years and well-established relationships with leading industrial groups provides a strong base for continued success. Semcon AB (publ) is listed on the O-list of Stockholmsbörsen and is currently active in Sweden, Australia, China, Denmark, Malaysia, Norway and the UK and, via partners, in Belgium, France, Greece, the Netherlands, Philippines, Portugal and Spain.

## FINANCIAL STATEMENT 2004

Profit up by SEK 105 million

- Sales climbed by 7.6% to SEK 1,289 million (1,199)
- Profit after tax was SEK 32.0 million (-57.6)
- Earnings per share stood at SEK 1.84 (-3.31)
- Operating profit after depreciation (EBIT) was SEK 52.1 million (-52.8), an increase of SEK 104.9 million
- Operating profit after Q4 depreciation was SEK 24.3 million (-1.5), giving an operating margin of 6.8% (-0.4)

### COMMENTS BY CEO HANS JOHANSSON

As we look back at 2004 we are pleased at the very strong profit rise compared to 2003. That we succeeded in turning the figures around is largely due to our stronger, well-developed customer relationships and improved sales. The major involvement of our employees, our Fast2Profit restructuring scheme and our success in developing partnerships has also contributed to improved profits. We can proudly say that all our goals set for 2004, including once again achieving profitability, improving the equity/assets ratio and continuing to take market shares, have been achieved. Semcon will celebrate its 25th anniversary this year and it's wonderful to see the positive attitude and belief in the future, which continues to permeate the company.

2004 was also the year when we became a serious international player. To meet the demands set on our customers and us by globalisation, we are established in 14 countries on three continents. We have offices in Sweden, Norway, Denmark, the UK, China, Malaysia and Australia. While in Belgium, Greece, the Philippines, France, the Netherlands, Portugal and Spain we are represented by local partners.

Our attractive range and extensive skills have meant that sales rose by 7.6% over the year compared with 2003. The Informatic business area boosted sales by over 21% where we also see our greatest growth potential. The new business models help us achieve our long-term goals set for the operating margin. These correlated factors during 2004 resulted in sales per employee increasing by 12% compared to 2003.

Our customers invest greatly in rapidly developing

products with more attractive functions and qualities. As development times are cut, the need for verification and testing product capabilities and functions becomes more important. Semcon currently has a unique range in this area including virtual and physical tests for all stages of the product development process. This range expanded during the year when we acquired ComTest and started the sound and vibration company, Zound by Semcon. The determined investment in *Functional Performance* was well-received by our customers, making us the market leader in Europe.

When responsibility and projects become bigger it's not enough to just have competent, experienced employees, but also effective routines and processes. The past year saw Semcon invest in becoming a leading project company. Proof that we succeeded was when we received the Ford Motor Company's Q1 quality award. The Ford Motor Company's policy is to start by choosing suppliers with Q1 status, which further strengthens our position as a preferred supplier.

The Innovation business area includes Semcon's IT company, which concentrates on developing specific solutions for general IT problems. Zipper and Zsystems, along with IT-Solutions, which are part of the business area, have rapid and profitable sales growth. Zipper, which started five years ago, concentrates on simply and cost-effectively providing customers with fully functional IT infrastructure, and now has sales of around SEK 100 million throughout Europe. Zsystems, which provides companies with packaged solutions for structured and cost-effective system integration, was initially a part of Zipper, but became a company in its own right in 2003. Zsystems' sales figures in 2004 reached around SEK 35 million.

The acquisition of the innovative design company Propeller was finalised at the beginning of 2005. Propeller is well-renowned for developing commercially successful products based on a creative and clear understanding of advanced product development, as well as global markets. With Propeller as part of the Group Semcon can challenge the elite among global design companies. The acquisition cements our lead position as a European design and product development company, with more than 80 specialists in the innovative industrial design and styling sectors.



## MARKETS, TRENDS AND AIMS

We expect the gradual improvement to the economy in 2004 to continue into 2005, even though there are uncertain factors. The overall trend affecting and favouring a company like Semcon is the extensive competition between products on the market. As a result of this companies are investing more in product development to produce innovative and attractive products more quickly and cheaply. Many customers also choose to focus their resources at an early stage in the product development process, which means the chance for us to get projects at the latter parts of the process. The trend of fewer, larger players on the market, domestically and internationally, continues.

### TRENDS IN SEMCON'S FOCUS SEGMENTS

- There is stiff competition and price pressure in the auto industry (*Vehicle*). Manufacturers must develop new models and versions more quickly with better performance, higher quality, at more competitive prices, and increase customer satisfaction during the vehicle's lifetime. This is essential to defend their positions on a tougher market e.g. where more Asian manufacturers are appearing. The threat in the industry is the uncertainty of a weak US dollar, spiralling material costs and high fuel prices. The forces moving the auto industry are to improve running costs and meet tougher emission legislation. We also note that the outsourcing trend is continuing. Our attractive range and our relationships with our customers mean that we can look positively on our future within the auto industry.
- Our pharmaceutical and medi-tech (*Medical/Life Science*) customers are under greater legal pressure. There is a great deal of price pressure and many of the largest players on the market are reporting declining profits. Political pressure and increased risk-taking for new pharmaceuticals has made companies more cautious. Companies are currently reviewing cost structures and there is a huge demand to make activities more efficient. This means greater opportunities to help our customers develop more effective, secure, production and validation processes.
- Development in the *Industry* segment shows wide variations. There is still a great need to develop new products and we are also affected by production moving east. We expect demand for consultancy services to grow within design and product development.
- The telecommunications industry (*Telecom*) is currently very optimistic. The industry is characterised by rapid product development and heavy competition resulting in price pressure. The rationalisation that companies in the industry have carried out in the past few years opens doors for companies like Semcon.

### AIMS

Semcon's aims for 2004 were to be profitable, improve the equity/assets ratio and continue to gain market shares. These aims have been achieved. We will take the next step towards our long-term financial aims in 2005. Our aim for 2005 is to continue to take market shares in Sweden and internationally. A broader network of partners is important to create flexibility and provide customers with the right choice. Investments to become a leading project company will continue in 2005. We will focus on underpinning our already strong position within Vehicle and investing for growth in Telecom and Medical & LifeScience.

### FORCES DRIVING GROWTH

Semcon expects the design and development market to carry on growing strongly. The illustration below summarizes the key growth factors.

#### Global trends

- Greater global competition
- Rapid IT and technical development
- Growing environmental focus

#### Effect on the market

- Focus on design and product development
- Huge pressure on prices
- Global platforms and production capacity
- Stringent laws and consumer demand

#### Consequences for product development

- Partnerships and long-term relationships much more important
- More total solutions and greater responsibility
- Division into primary and secondary suppliers
- More focus on Time-to-Market
- Increased demand for specialist skills

**Greater demand and opportunities for international development consultants**



## OUTLOOK

We forecast that the market situation in 2005 will improve gradually. We also forecast continued growth and improved profits in 2005.

## BUSINESS ACTIVITIES

### SALE ANALYSES

Sales for the Group rose by SEK 90.6 million to SEK 1,289.3 million (1,198.7) in 2004. Sales in Q4 were SEK 358.9 million (344.6). Growth came mainly from the partnership agreement signed in 2003 with GME (General Motors Europe) and Ericsson in the Informatic business area. The improved market situation has also affected sales, with certain regional differences. The greater sales focus, initiated in Fast2Profit, has also been successful. All business areas have seen positive sales trends during the year.

### EARNINGS ANALYSES

Semcon improved its profits considerably compared to 2003. The operating profit after depreciation rose by SEK 104.9 million. The company's costs in 2004 fell compared to 2003, while the company increased sales. The main reasons for this are the strong business focus and good cost control laid by the Fast2Profit project.

The profit before depreciation of intangible fixed assets (EBITA) was SEK 60.4 million (-29.3). The operating profit after depreciation (EBIT) was SEK 52.1 million (-52.8), which gave a margin of 4.0% (-4.4). The margin in Q4 was 6.8% (-0.4). The profit after depreciation for Q4 was SEK 24.3 million (-1.5). Net financial items were SEK -3.2 million (-2.4), which gave a profit after net financial items of SEK 49.0 million (-55.2). The Group's profit after tax was SEK 32.0 million (-57.6) and the EPS was SEK 1.84 (-3.31).

## SEMCON'S BUSINESS AREAS

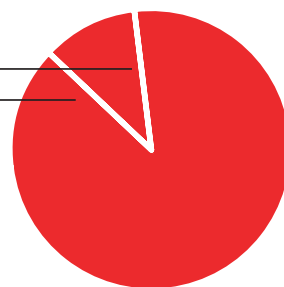
### DESIGN & DEVELOPMENT

The business area works with design, product development and production development. All activities concentrate on product development, including our international activities.

Design & Development is the largest of our business areas and represents 63% of Semcon's total sales. Activities concentrating

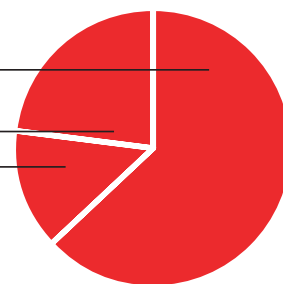
### Share of earnings

International	11%	(12%)
Sweden	89%	(88%)



### Sales per industry

Design & Development	63%	(65%)
Informatic	23%	(20%)
Innovation	14%	(15%)



on Vehicle progressed very well with major demand for our range. Our UK investment, which started in August 2003 performed successfully during the year. Design & Development's operating profit saw the greatest improvement among the business areas and during the year it boosted its operating profit after depreciation by SEK 81.8 million. Major customers include ABB, Alpharma, AstraZeneca, Bombardier, Ericsson, Scania, Saab Automobile, Saab, AB Volvo and Volvo Car Corporation.

### INFORMATIC

Activities in the business area help technically intensive companies to make technical information more interesting from a user-perspective.

It has been six years since Informatic started its partnership with the Volvo Car Corporation. Much of the growth in 2004 came from Informatic's partnership deals with companies like Ericsson and GME (General Motors Europe). User-friendliness and accessible technical information is becoming more of a competitive

BUSINESS AREAS	Sales (SEK m)		Growth (%)	Share of sales(%)	Operating profit/loss (SEK m)		Operating margin (%)	
	2004	2003			2004	2003	2004	2003
Design & Development	812.2	775.7	4.7	63.0	20.6	-61.2	2.5	-7.9
Informatic	295.9	243.9	21.3	22.9	20.8	13.8	7.0	5.7
Innovation	181.2	179.1	1.2	14.1	10.7	-5.4	5.9	-3.0
<b>Total</b>	<b>1 289.3</b>	<b>1 198.7</b>	<b>7.6</b>	<b>100.0</b>	<b>52.1</b>	<b>-52.8</b>	<b>4.0</b>	<b>-4.4</b>

advantage in line with products becoming more advanced and equipped with more functionality. Informatic therefore has good prerequisites to expand more internationally and in new partnerships. Our ambition is to further extend our activities in 2005. Major customers include ABB, Ericsson, Saab Automobile/GME and Volvo Car Corporation.

## INNOVATION

The business area provides IT solutions that make more effective and facilitate our customers' work. These activities work with their own brands, making them more attractive, enterprising and dynamic.

The different units are Zipper, Zystems and IT Solutions and all had a successful year, reporting positive growth. Major customers include Akzo Nobel, AstraZeneca, Saab Automobile, Sapa, Sony Ericsson, Sydkraft, V&S, AB Volvo and Volvo Car Corporation.

## PARENT COMPANY

As the parent company, Semcon AB is responsible for corporate issues such as strategy, information and marketing. Sales amounted to SEK 36.1 million (21.5) and the loss after depreciation was SEK 4.2 million (2.8). The parent company's liquidity was SEK 54.3 million (32.2). The company's investment in stock totalled SEK 0.0 million (0.0).

## STAFF & ORGANISATION

The average headcount was 1,444 (1,504). The total headcount for the period was 1,471 (1,442). The headcount in each business area at the end of the period was as follows: Design & Development 1,033 (1,032) Informatic 276 (270) and Innovation 162 (140).

## FINANCIAL ITEMS, INVESTMENTS & SHARE INFORMATION

Cash flow improved compared to last year and stood at SEK 18.2 million (7.7). A total of SEK 13.8 million was paid in during the year for the convertible promissory notes in Semcon AB that were subscribed for at the end of Q2. The Group's total investments in hardware, licenses and office equipment was SEK 11.1 million (22.8) and the Group's investments in property was SEK 4.3 million (0). The equity/assets ratio at the end of the period was 23.1% (19.1). Liquid assets were SEK 59.0 million (40.7) and investments in subsidiaries' shares and business activities amounted to SEK 6.2 million (0.2).

## DIVIDEND

Taking into account the unacceptable level of the company's financial position the Board has decided to propose that no dividends will be paid for 2004 (0).

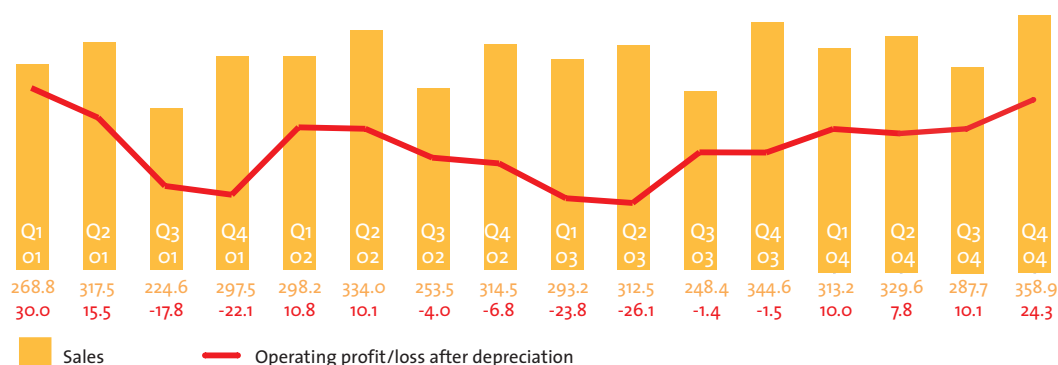
## SHARE PERFORMANCE

The diagram on page 9 shows Semcon's share price performance since January 2002 compared to the SX-All-Share index and the amount of shares traded per month. The share price almost doubled in value in 2004 and rose from SEK 15.5 to SEK 30.6 on 30 December. During the same period the SX-All-Share rose by 19.3%. In Q4 Semcon's shares rose 30.8% compared to the SX-All-Share, which rose by 6.5%.

## OWNERSHIP STRUCTURE

Foreign holdings increased during the year in Semcon and accounted for around 27.9 (18.5) per cent of ownership on 31 December. On 31 December 2004, Semcon had 5,826 (6,050) shareholders. The total number of shares was unchanged, and on 31 December 2004 amounted to 17,391,021. Semcon is listed on the Stockholm Stock Exchange under the SEMC ticker and shares of equal voting rights.

Quarterly development (SEK m)



## SEMCON AB-CONSOLIDATED FINANCIAL SUMMARY

### INCOME STATEMENTS

(SEK 000s)

	2004 Oct-Dec	2003 Oct-Dec	2004 Full year	2003 Full year
Operating income	358 900	344 602	1 289 330	1 198 719
Staff costs	-230 237	-218 147	-832 849	-832 489
Other operating expenses	-97 434	-115 735	-378 480	-373 437
<b>Operating profit/loss before depreciation</b>	<b>31 229</b>	<b>10 720</b>	<b>78 001</b>	<b>-7 207</b>
Depreciation of tangible assets	-4 892	-5 871	-17 553	-22 078
Depreciation of intangible assets *	-2 077	-6 387	-8 311	-23 513
<b>Operating profit/loss after depreciation</b>	<b>24 260</b>	<b>-1 538</b>	<b>52 137</b>	<b>-52 798</b>
Net financial items	-211	-438	-3 182	-2 372
<b>Profit/loss after net financial items</b>	<b>24 049</b>	<b>-1 976</b>	<b>48 955</b>	<b>-55 170</b>
Tax	-7 037	-5 373	-16 932	-2 398
Minority interest in profit/loss	6	-17	7	1
<b>Profit/loss for the period</b>	<b>17 018</b>	<b>-7 367</b>	<b>32 030</b>	<b>-57 568</b>
Average number of shares	17 391 021	17 391 021	17 391 021	17 391 021
Avg. no. of convertibles <sup>13</sup>	393 617	217 900	196 809	217 900
EPS after tax, SEK	0.98	-0.42	1.84	-3.31
EPS after dilution, SEK <sup>13</sup>	0.96	-0.42	1.82	-3.31
Note * Of which depreciation of goodwill		3 200		11 631

### BALANCE SHEETS

(SEK 000s)

	31/12/2004	31/12/2003
<b>Assets</b>		
Intangible fixed assets*	49 847	53 089
Tangible fixed assets	35 444	38 749
Financial fixed assets	8 698	7 055
Other long-term receivables	7 402	9 435
Current assets	441 910	364 794
<b>Total assets</b>	<b>543 301</b>	<b>473 122</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	125 637	90 406
Provisions	46 705	41 228
Minority shares	11	17
Long-term liabilities	13 795	4 497
Current liabilities	357 153	336 973
<b>Total shareholders' equity and liabilities</b>	<b>543 301</b>	<b>473 122</b>
Note * Of which goodwill	43 907	49 139

**CHANGE IN SHAREHOLDERS' EQUITY**

(SEK 000s)	31/12/2004	31/12/2003
Shareholders' equity at period's start	90 406	147 594
Exchange rate difference	-50	-211
Risk of loss in initial SWAP agreement	3 251	590
Profit/loss for the period	32 030	-57 568
Shareholders' equity at period's end	125 637	90 406

**CASH FLOW STATEMENT**

(SEK 000s)	31/12/2004	31/12/2003
Current activities	64 510	-12 052
Change in working capital	-34 144	54 755
Investment activities	-21 413	-28 693
Financing activities	9 297	-6 334
Change in liquid funds	18 250	7 676

**QUARTERLY CHANGES PER BUSINESS AREA**

Sales (SEK m)	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2004 Full year
Design & Development	192.6	205.3	180.8	233.5	812.2
Informatic	81.4	78.2	68.3	68.0	295.9
Innovation	39.2	46.1	38.5	57.4	181.2
<b>Total</b>	<b>313.2</b>	<b>329.6</b>	<b>287.6</b>	<b>358.9</b>	<b>1 289.3</b>

**Operating profit after depreciation (SEK m)**

Design & Development	3.0	3.5	3.9	10.3	20.6
Informatic	5.5	2.5	2.7	10.1	20.8
Innovation	1.5	1.8	3.5	3.9	10.7
<b>Total</b>	<b>10.0</b>	<b>7.8</b>	<b>10.1</b>	<b>24.3</b>	<b>52.1</b>

**Operating margin (%)**

Design & Development	1.6	1.7	2.2	3.6	2.5
Informatic	6.7	3.2	4.0	14.4	7.0
Innovation	4.0	3.8	9.1	8.2	5.9
<b>Total</b>	<b>3.2</b>	<b>2.4</b>	<b>3.5</b>	<b>6.8</b>	<b>4.0</b>

**Number of employees**

Design & Development	996	1 014	1 033	1 033	1 033
Informatic	281	286	275	276	276
Innovation	141	157	163	162	162
<b>Total</b>	<b>1 418</b>	<b>1 457</b>	<b>1 471</b>	<b>1 471</b>	<b>1 471</b>

**Sales per employee (SEK m)**

Design & Development	193	202	167	226	786
Informatic	290	273	263	246	1 072
Innovation	278	293	236	355	1 118
<b>Total</b>	<b>221</b>	<b>226</b>	<b>191</b>	<b>244</b>	<b>876</b>

## KEY FIGURES

	Note	2004 Full year	2003 Full year
Growth/Decline in sales, (%)		7.6	-0.1
Operating margin, (%)	1	4.0	-4.4
Return on average shareholders' equity, (%)	2	29.7	-48.4
Return on average capital employed, (%)	3	46.0	-34.3
Equity assets ratio, (%)	4	23.1	19.1
Debt/equity ratio, (multiple)	5	0.11	0.05
Interest coverage ratio, (multiple)	6	10.7	-12.4
Earnings per share, (SEK)	7	1.84	-3.31
Earnings per share after dilution, (SEK) <sup>13</sup>	8	1.82	-3.31
Shareholders' equity per share, (SEK)	9	7.22	5.20
Average number of employees	10	1 444	1 504
Value added per employee, (SEK 000s)	11	613	523
Profit/loss after financial items per employee, (SEK 000s)	12	33.9	-36.7
Investments in machinery, equipment and licenses, (SEK 000s)		11 147	22 370
Investments in subsidiaries' and associate companies' shares, (SEK 000s)		6 166	169
Number of shares at period's end at a nom. 1 SEK		17 391 021	17 391 021
Average number of shares		17 391 021	17 391 021
No. of outstanding convertibles at year-end	13	393 617	0
Avg. no. of convertibles	13	196 809	0

## REFERENCE

- Earnings after depreciation as % of operating earnings.
- Profit/loss for the period as % of average shareholders' equity.
- Profit/loss after financial items plus financial expenses as % of average capital employed.
- Shareholders' equity as % of balance sheet total.
- Interest-bearing debt divided by shareholders' equity
- Profit/loss after financial items plus financial expenses, divided by financial expenses.
- Profit/loss for the period divided by the average number of shares.
- Shareholders' equity divided by the total number of shares at the end of the period.
- Shareholders' equity divided by the total number of shares including options.
- Average number of employees.
- Profit/loss after depreciation plus salary expenses and social fees divided by the average number of salaried employees.
- Profit/loss after financial items divided by the average number of salaried employees.
- Besides the outstanding convertibles are 217 600 outstanding options. These have not been taken into consideration when calculating the dilution effect as the exercise rate significantly exceeded the prevailing share price.

## OTHER EXPLANATIONS

Net profit for the year	Profit for the year after tax.
Capital employed	Shareholders' equity plus interest bearing liabilities
P/E ratio.	Price per share divided by profit per share.
P/S ratio.	Price per share divided by turnover per share.
Price per share/equity.	Price per share divided by shareholders' equity per share.



## KEY FIGURES PER SHARE

	2004	2003	2002	2001	2000
Earnings per share after tax (SEK)	1.84	-3.31	0.05	0.08	1.99
Earnings per share after dilution (SEK) <sup>13</sup>	1.82	-3.31	0.05	0.08	1.89
Equity per share before dividend (SEK)	7.22	5.20	8.49	8.56	8.57
Equity per share after dilution (SEK) <sup>13</sup>	7.84	5.13	8.30	8.48	8.14
Price per share/equity per share (multiple)	4.24	2.98	1.53	4.61	14.59
Dividend	0.00	0.00	0.00	0.00	0.50
P/E ratio	16.63	neg	238.70	504.40	62.80
P/S ratio	0.41	0.23	0.19	0.61	2.15
Share price 30/9, other year 31/12 (SEK)	30.60	15.50	13.00	39.50	125.00
Market value 30/9, other year 31/12 (SEK m)	532	270	226	687	2 167
Number of shares at period's end (thousands)	17 391	17 391	17 391	17 391	17 339
Average number of shares (thousands)	17 391	17 391	17 391	17 356	17 339
Number of options (thousands) <sup>13</sup>	612	218	382	164	928
No. of outstanding convertibles at year-end (thousands)	394	0	0	0	0
Avg. no. of convertibles (thousands)	197	0	0	0	0

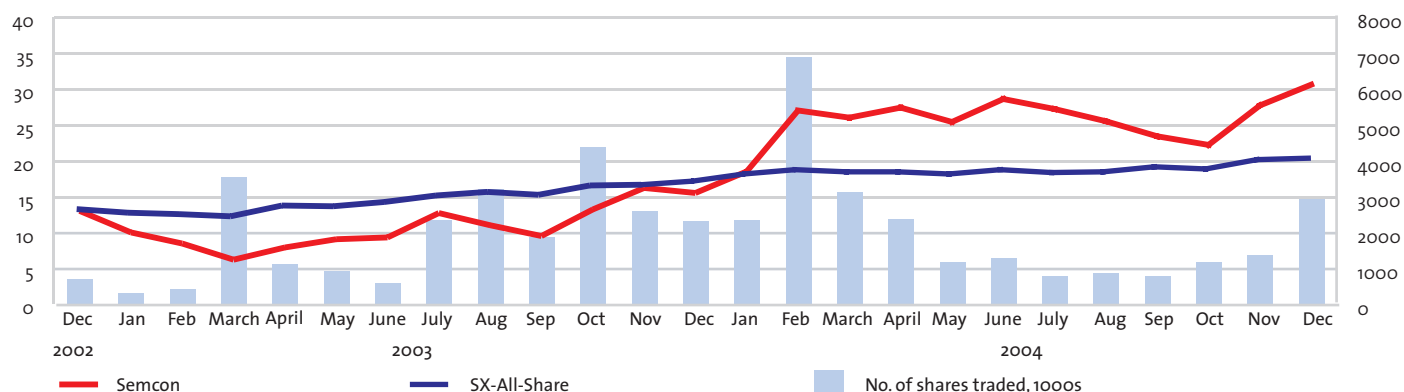
## LARGEST HOLDINGS 31 DEC 2004

Shareholder	No. of shares	Percentage
Skandia liv	1 314 600	7.56
JP Morgan Chase Bank, W9	1 253 171	7.21
Chase Manhattan omnibus account	843 530	4.85
Robur	718 000	4.13
Hans Johansson incl. companies	386 000	2.61
SEB Sverige småbolagsfond	453 600	1.87
Carlson småbolagsfond	324 824	1.61
Goldman Sachs International	280 000	1.59
Credit Sussie L&P	275 710	1.57
Carl Westin Associates AB	272 500	1.50
<b>Total</b>	<b>5 996 935</b>	<b>34.50</b>
Other ownership	11 394 086	65.50
<b>Grand total</b>	<b>17 391 021</b>	<b>100.00</b>

## OWNERSHIP STATISTICS 31 DEC 2004

Size	No. of share holders	No. of shares	Percentage	Market value 31/12 (SEK 000s)
1-500	3 209	749 892	4.3	22 947
501-1 000	1 187	1 069 307	6.2	32 721
1 001-10 000	1 271	3 967 143	22.8	121 395
10 001-100 000	134	3 389 915	19.5	103 731
100 001-	25	8 214 764	47.2	251 372
<b>Total</b>	<b>5 826</b>	<b>17 391 021</b>	<b>100.0</b>	<b>532 166</b>

## PRICE TREND



## KEY EVENTS DURING THE YEAR

### PARTNERSHIP

- Semcon has signed a partnership agreement with Assystem Etudes in France.

### CURRENT PARTNERSHIPS IN THE INFORMATICS BUSINESS AREA

- Volvo Car Corporation, GME (General Motors Europe), Ericsson Radio Systems and ABB Robotics.

### FRAMEWORK AGREEMENT

- There are new and rolling framework agreements with the following companies: ABB, Apoteksbolaget, Astra Zeneca, Autoliv Electronics, Bombardier, Ericsson, Fiat-GM Powertrain, FMV, Gambro, General Motors Europe, Haldex, Husqvarna, IFL, Kockums, Munters, Nokia, OKG, Pfizer, Tågå, Saab Automobile, SAAB, Siemens Industrial Turbomachinery, Volvo Car Corporation, Westinghouse etc.

### OTHER

- Semcon was chosen as Long Term Preferred Supplier by the Volvo Car Corporation for another year.
- Semcon acquired Comtest of Helsingborg.
- Semcon started a new business within acoustics and vibration – Zound by Semcon.
- Semcon received the Q1 award from Ford as one of the first service providers.
- Zound by Semcon and LMS International of Belgium have signed a partnership agreement for the distribution and support of LMS's software for virtual simulation, test systems and advanced technical services in Scandinavia and the Baltic States.
- Zipper by Semcon received the IT industry's Sirius Prize 2004 as the "Best packaged solution" for its FastAccess security concept.

## KEY EVENTS AFTER THE YEAR

- Semcon acquired the well-renowned design firm Propeller with 15 staff.
- Semcon opened a new office in Jönköping.

### FINANCIAL REPORTS 2005

AGM	20 April
Q1 report	20 April
Q2 report	26 August
Q3 report	21 October

The Annual Report for 2004 is planned for publication in middle-March 2005.

## OTHER INFORMATION

### ACCOUNTING PRINCIPLES

All financial information is based on the same accounting principles and calculation methods as the last financial year. This financial statement has been produced in accordance with the Swedish Financial Accounting Standards Council's recommendations and statements. The Swedish Financial Accounting Standards Council's recommendation RR29, Remuneration to employees, has been applied from 1 January 2004. Pension commitments for salaried employees in Sweden are secured via pension policies from Alecta. The company has not had access to such information for the 2004 financial year making it possible to show this scheme as a benefit pension scheme. The ITP pension scheme, financed through Alecta policies, is therefore shown as a contribution pension scheme. The pension premiums for the year covered by Alecta amount to SEK 37.9 million (33.2).

### DIFFERENCES BETWEEN CURRENT AND FUTURE ACCOUNTING PRINCIPLES, FINANCIAL REPORTING STANDARDS (IFRS), APPLICABLE FROM 1 JANUARY 2005.

Semcon has only identified one material difference between the company's current accounting principles and the IFRS principles that became applicable on 1 January 2005, which is the application of IFRS 3, Corporate acquisitions. According to IFRS 3 acquired goodwill should not be depreciated on a running basis. The disclosed value should instead be re-evaluated annually, or more often if circumstances show a reduction in value. According to the evaluation on 1 January 2004 and 31 December 2004 there is no depreciation requirement. The planned depreciation made in 2004 according to the current principles, should therefore be restored when compiling the income statement for 2004 according to IFRS. Goodwill depreciation according to plan for 2004 was SEK 8.3 million, meaning SEK 8.3 million higher shareholders' equity than disclosed according to IFRS.

### REPORTING AND THE AGM

The 2004 Annual Report is expected to be issued in mid-March 2005 and sent to all shareholders who have actively requested printed information from Semcon. The Annual Report is also available from Semcon's head office, Theres Svenssons gata 15, in Göteborg and ordered by telephone: 031-721 00 00, fax: 031-721 03 33, or via email: bodil.johansson@semcon.se. The Annual General Meeting will be held at 6 p.m. on 20 April 2005 at Semcon's head office in Göteborg. The suggested record day is 8 April.

The quarterly report for Q1 will be published on 20 April. For further information please contact CEO, Hans Johansson tel: +46 (0)31 721 03 05, mobile: +46 (0)70 591 43 34 or CFO Bengt Nilsson tel: +46 (0)31 721 03 11, mobile: +46 (0)70 447 28 68.

Göteborg, 27 January 2005



SEMCON AB (PUBL)

Company reg. no. 556539-9549